



United States Department of the Interior

NATIONAL PARK SERVICE

1849 C Street, N.W.
Washington, D.C. 20240

AUG 16 2006

Re John F. Gresham House, 1012 Thompson Place, Knoxville, Tennessee
Project Number: 14451
Taxpayer's Identification Number:

Dear

My review of your appeal of the decision of Technical Preservation Services, National Park Service, denying certification of the rehabilitation of the property cited above is concluded. The appeal was initiated and conducted in accordance with Department of the Interior regulations (36 CFR Part 67) governing certifications for Federal income tax incentives for historic preservation as specified in the Internal Revenue Code. Thank you for meeting with me in Washington on July 26, 2006, and for providing a detailed account of the project.

After careful review of the complete record for this project, I have determined that the rehabilitation of the John F. Gresham House is not consistent with the historic character of the property and the historic district in which it is located, and that the project does not meet Standards 2 and 9 of the Secretary of the Interior's Standards for Rehabilitation. Therefore, the denial issued on February 4, 2006, by Technical Preservation Services (TPS) is hereby affirmed. While the project as completed does not meet the Standards for Rehabilitation, I try, whenever possible, to advise owners of necessary revisions that could enable a project to meet the Secretary of the Interior's Standards. I have further determined that the project could be brought into conformance with the Standards, and thereby be certified, if the corrective measures described below are undertaken.

Built about 1910, the John F. Gresham House is located in the Old North Knoxville Historic District. The building was certified by TPS as contributing to the significance of that district on August 26, 2004. The completed rehabilitation of this "certified historic structure" was found not to meet the Standards for Rehabilitation for a number of treatments. On the interior, these included the removal of the dividing walls between front and rear rooms on both sides of the house, and the accompanying removal of a fireplace and mantel, and the demolition of a stair to the second floor and its relocation in a new place. Also cited, but of less concern, was the installation of two sets of six-panel double doors in openings to the hallway. On the exterior, TPS cited the new round window in the front gable and the new windows with transoms inserted in openings all around the building. TPS also noted that the new porch balusters contributed to an appearance of the building "that it never had in its history."

Although I agree with TPS that the completed project does not meet the Standards for Rehabilitation, I find that demolition of the stair and its relocation toward the front of the building were not unjustified. The evidence you presented suggests strongly that the existing stair was not historic, but was added during the conversion of the building to multiple apartments in more recent years. The evidence uncovered during the project suggests that it was located closer to the front of the house, where you placed the new one. Accordingly, this treatment has not entered into my decision.

The harm to the historic character occasioned by several of the exterior changes is more pronounced than that done by the interior treatments. Combining four historic parlors into two large spaces by the removal of two historic partitions, one with a fireplace and mantel, would ordinarily render a project ineligible for certification. However, in this case, I note that a new partition was inserted on the east side of the building, thus preserving to some degree the basic historic arrangement. Moreover, I note that the rehabilitation removed the bathroom, closets, and other obstructions introduced at some point into the central hallway that formerly ran through the house from front to back. Re-opening the central hallway is a notably positive aspect of the project. Taken as a whole, therefore, the inappropriate work on the interior does not in this case render the project ineligible for certification.

However, the exterior changes cannot be approved as completed. The new windows replace later windows that were not historic. The objection here is not that the existing windows were replaced, but that the new windows themselves are not compatible with the historic character of the building. The new windows are too short to fill the historic openings and require a transom above. As a result, they are significantly out of proportion with the original window openings and thus fail to meet Standard 2, which states: *"The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided."*

Similarly, the new round window in the front gable of the second story introduces an over-scaled feature that becomes a dominant element on the building facade. Accordingly, it causes the project not to meet Standard 2, cited above, and Standard 9, which states, in part: *"...The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment."* I also agree with TPS that the new turned balusters on the curved front porch are inappropriate, and not in keeping with Standard 3, which states: *"Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken."*

I have determined that the project can be brought into conformance with the Standards, and thereby achieve the requested certification, if corrective measures are undertaken. In particular, the new short windows with transoms must be replaced with one-over-one windows the full height and width of the historic openings. Similarly, the new round window in the front gable must be replaced with a smaller scaled window. If round, it should have muntins, not be a single pane of glass. You may wish to consider an appropriately scaled, arched-top, window similar to those found on the other elevations of the house, which would be compatible with the historic character of this particular house. In addition, I believe that much of the visual prominence of the new balusters is a result of the two-toned paint scheme. Repainting the rails and balusters to match the white columns will render them less conspicuous and more compatible with this early 20th-century house. These measures would allow the project to be certified as meeting the minimum requirements for certification established by the law creating the Federal income tax credit for rehabilitation.

If you choose to undertake the additional work discussed above, please send any proposals for accomplishing the work, with drawings of the changes proposed and specifications of the windows, through the SHPO to NPS, Attention: Michael Auer. Note that this project will not become a "certified rehabilitation" eligible for the tax incentives until after completion of any corrective measures and approval by NPS.

Finally, as we discussed during our meeting, it is unfortunate that the project work was completed before TPS completed its review of Part 2 of your application, since it is the experience of the National Park Service that buildings can usually be rehabilitated for a new use in a manner that preserves their historic character. Both the instructions accompanying the historic preservation certification application and Department of Interior regulations governing the program advise owners to apply before starting project

work. Despite this advice, owners are free to apply after starting project work. However, "*Owners who undertake rehabilitation projects without prior approval from the Secretary do so strictly at their own risk.*" [36 CFR Part 67.6(a)(1)].

I also understand the potential for conflicting stipulations between local review authorities and the reviews conducted by TPS for the Federal tax incentives program. However, please note that Department of Interior regulations governing the tax incentives program state, "*Prior approval of a project by Federal, State, and local agencies and organizations does not ensure certification by the Secretary for Federal tax purposes.*" [36 CFR Part 67.7(e)].

As Department of the Interior regulations state, my decision is the final administrative decision regarding rehabilitation certification. A copy of this decision will be provided to the Internal Revenue Service. Questions concerning specific tax consequences of this decision or interpretations of the Internal Revenue Code should be addressed to the appropriate office of the Internal Revenue Service.

Sincerely,

A handwritten signature in blue ink, appearing to read "John A. Burns", with a long horizontal flourish extending to the right.

John A. Burns, FAIA
Chief Appeals Officer
Cultural Resources

cc: SHPO-TN
IRS